



February 20, 2009

Dear Representative Edwards:

Taxpayers for Common Sense would like to thank you for your efforts to ensure that \$50 billion in additional loan guarantee authority for the Department of Energy Title XVII program was not included in the final stimulus. As you know, this program has more than \$40 billion in existing authority and this expansion did not pass the litmus test for stimulus legislation.

Created in the 2005 Energy Bill, the DOE loan guarantee program was purportedly established to distribute Treasury backed loan guarantees to innovative low-carbon energy technologies. However, extremely costly and environmentally harmful projects that have been around for decades, including coal-to-liquids plants and nuclear reactors, are eligible for loan guarantees under the program.

As you are aware, the \$50 billion expansion was proposed by Senator Bennett and added in committee to the Senate bill. Although he and other proponents claimed the additional authority could also be used for renewable projects, the money was clearly slated for coal and nuclear applicants, as more than \$8 billion had already been included in the bill for renewable projects.

Additionally, the loan guarantee program currently has \$42.5 billion in unobligated authority. The program was awarded \$4 billion in FY07 and \$38.5 billion in the FY08 Omnibus which has been extended through the current Continuing Resolution. Given the sizable standing allotment it would have been an egregious giveaway to add \$50 billion to its coffers in the Stimulus bill.

If it is operated recklessly or funds risky and harmful coal-to-liquid plants and nuclear reactors, it is clear the DOE loan guarantee program could siphon billions of dollars from the federal Treasury. Because of the enormous risk this program places on taxpayers, we urge you to continue to monitor it through the FY09 Omnibus and FY10 Appropriations process.

Again we thank you for your work to eliminate this provision in the final Stimulus and look forward to working with you on the Title XVII loan guarantee program in the future.

Sincerely,


Ryan Alexander
President

*Thanks
so much*